Broadcasting Aug 5

Reaching over 117,000 readers every week

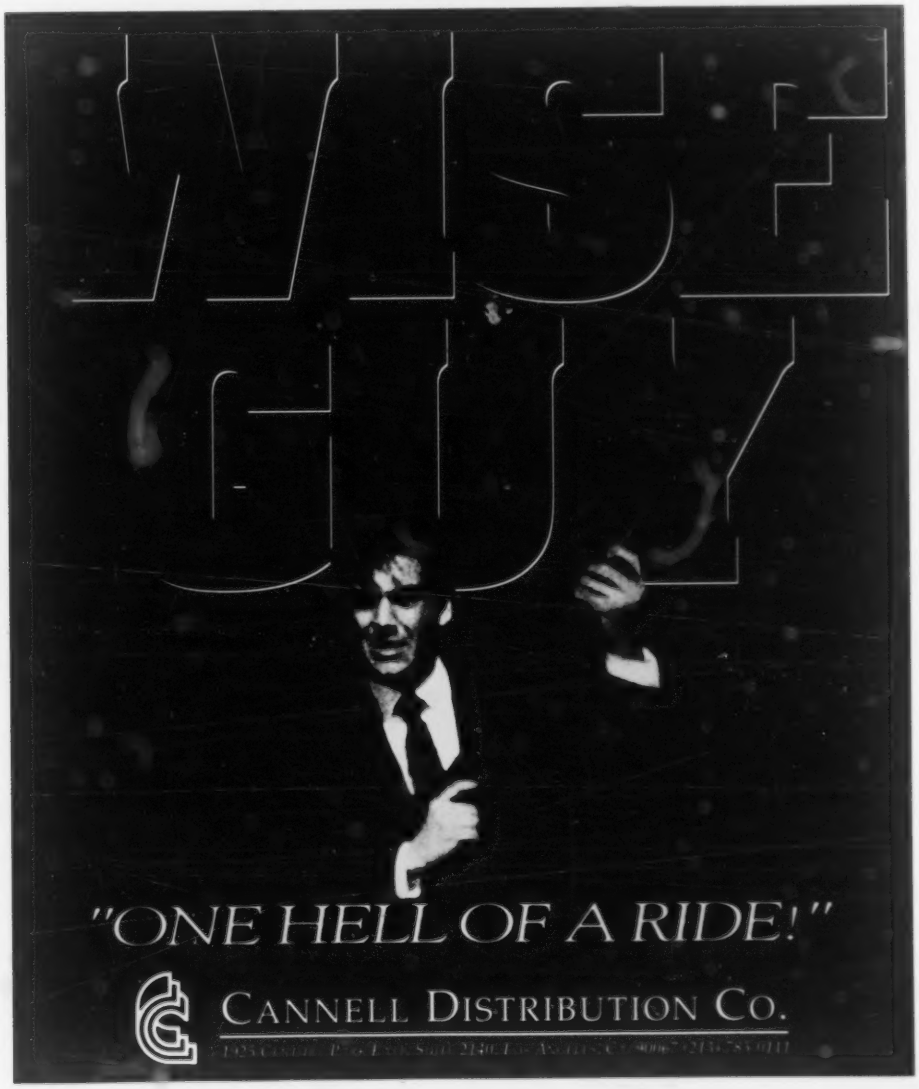
60th Year 1991

TELEVISION / 27
Politics make PBS, NBC bedfellows: 'Roseanne' rolls in syndication

RADIO / 31
Radio's primary target, ages 25-54, may be too broad for advertisers

CABLE / 39
MTV to program three channels, beginning in '93

BUSINESS / 43
New tax legislation has both MSO's and broadcasters worried



Broadcasting 1931 1991

Vol. 121 No. 6 $2.50

NBC's Littlefield sets sights on 7th season win

Telcos eye cable TV

THIS WEEK

19 / NBC'S NO. 1 PLAN

Warren Littlefield, winding up his first year as president of NBC Entertainment, says "nothing should be sacred today," as he plans his strategy to keep NBC a ratings winner this season and next. Some ideas he shared with BROADCASTING: spread big-ticket items like mini-series over the whole year, rather than lumping them in sweeps months; make NBC a producer-friendly network in its working relationships with studios and the creative community, and beef up daytime with new soaps.

NBC's Warren Littlefield looks to seventh season win (page 19)

22 / TELCOS IN CABLE: WHEN, OR IF?

The anticipated stampede of telephone companies into the cable arena may be slow off the mark, according to financial experts and industry analysts. Handicapping likely telco moves in light of Judge Harold Greene's recent decision, observers say that, even with their deep pockets and good credit ratings, the telcos might consider cable a lackluster investment prospect. Said an Ameritech executive: "While cable operators are making money, they still have a lot of debt and aren't getting rich, exactly."

24 / FCC'S FINE HOW-DE-DO

The National Association of Broadcasters has condemned as excessive the new fine schedule imposed by the FCC. The agency is implementing a 1989 law that allows it to increase its fines from $2,000 per violation per day, up to $20,000 maximum, to $25,000 per violation per day up to a maximum of $250,000. The NAB charges that the enforcement function of the fines appears to have been "relegated to a secondary role behind generating funds for the federal treasury."

25 / ADS 'R' OK

The FCC last week allowed a postponement in implementing the commercial-time-limit rule for children's programing until Jan. 1. The extension applies only to syndicated programs bought on a barter basis, but that exception was enough to satisfy independent TV stations, which had asked for relief from the rule until after the Christmas buying season. Opponents charged that the FCC "has stolen TV time that belongs to the kids and donated it to the greedy Grinches of the television industry."

27 / PROGRAM PITCHES

BROADCASTING obtained list of shows pitched by Warner Bros. and MCA to consortium of independent stations. Late word last week ("Closed Circuit," page 6) was that group was negotiating with Warner.

27 / PBS, NBC TEAM FOR '92 CONVENTIONS

NBC Nightly News and *MacNeil-Lehrer NewsHour* will team up to provide PBS with three hours of coverage on each of the eight nights of total Democratic and Republican convention sessions.

28 / NEW PROJECTS FROM 'CIVIL WAR' PRODUCER

Civil War producer Ken Burns has at least three projects in development for PBS, including *Empire of the Air*, tied to an upcoming book on broadcasting pioneers; *Baseball*, a five-hour history of the sport, and *The Songs of the Civil War*, a two-hour follow-up to the first series.

29 / 'ROSEANNE' LOOKS LIKE A MILLION BUCKS

License fees from the first syndication cycle of "Roseanne," cleared so far for a fall 1992 debut in 50 markets covering 54% of the country, have reportedly topped $1 million per episode and could reach as high as $2 million. That figure could climb to $2.5 million when the 2.5 minutes of national barter revenue are included.

31 / AGING BABY BOOMERS

The cost-per-point lure of the 25-54 audience segment—the "baby boom bubble"—is driven by a TV marketing mentality that doesn't necessarily apply to radio, says Warren Potash, president, Radio Advertising Bureau. The medium offers advertisers the opportunity to break down the wide-ranging group, which can include both

MTV announces plan to add two channels (page 39).

Billings for '92 syndication debut of "Roseanne" have reportedly topped $1 million per episode, with 54% of U.S. sold (page 29).

25-year-olds *and* their parents, into marketable mini-targets. Furthermore, a soon-to-be-released study by the Interep Radio Store shows big differences in purchasing habits above and below age 35, the baby-boom median, and predicts a narrowing in advertiser focus to the 35-54 age group.

39 / MTV MOVES TO MULTIPLEXING

Seizing the opportunity of the coming cable-channel boom, and hoping to inspire operators to do the same, MTV Networks said it will expand to three channels in mid-1993. Preliminary plans call for retaining the core channel as is and programing the additions with yet-to-be-determined musical genres. Testing will begin in 1992 on Cablevision's Boston and Brookline, Mass., systems; Media General's Fairfax, Va., system, and on one Cox and one Continental system to be named later. HBO and Showtime begin their multiplexing tests with Telecable this week.

42 / OPERA COMES TO PAY PER VIEW

NBC and Cablevision Systems hope to attract a new, although not very large, audience to PPV with the debut of opera telecasts Sept. 23. The two companies have signed a 10-year agreement with New York's Metropolitan Opera for three to four events a year and hope that the first, the *25th Anniversary Gala of the Met*, will pull at least a 0.25% buy rate (40,000 homes) at $34.95. Promotion for the opening event, which brings tenors Luciano Pavarotti and Placido Domingo together on an American stage for the first time, begins this month.

43 / 'INTANGIBLE' CHANGE IN TAX LAW

A bill proposed last week by House Ways and Means Chairman Dan Rostenkowski would clarify the tax treatment of intangible assets, which are items like station licenses and cable franchises. The good news for broadcasters and cable operators is that many items that had previously been questioned by the IRS would now be codified. Among the bad news: the bill explicitly disqualifies a broadcaster's FCC license from amortization eligibility. Because it has the support of the chairman and a preliminary nod from the White House, is revenue neutral and aims at tax simplification, the bill may be difficult to derail.

48 / COMPETITION FOR INTELSAT?

Satellite entrepreneur Rene Anselmo, chairman of Alpha Lyracom Space Communications, believes his company's $300-million "understanding" with Hughes Communications brings it one step closer to challenging Intelsat's global communications monopoly. The deal for three HS 601 satellites, which would be ready for launching in early 1994 and "will have a footprint over every country in the world," according to Anselmo, is part of an investment that will total between $500 million and $650 million. "There's $650 million sitting out there somewhere for me. It will come," Anselmo said.

50 / USER FEES FOR FCC REVIVED

Pro-fee and anti-fee congressmen on the House Energy and Commerce Committee agreed on a revised schedule of user charges that would be assessed on FCC licensees. The agreement revives the chances that an FCC authorization supported substantially by user's fees ($65 million of the $133.5 million total) could pass the House. Communications lobbyists are focusing their opposition on the Senate, where few senators, except Commerce Committee Chairman Ernest Hollings (D-S.C.), who opposes the fees, have given an opinion.

54 / CABLE LEAKS

In the year since standards were passed, the FCC has shut down 11 cable systems for signal leakage. Cable operators use frequencies commonly employed by other spectrum users, like aircraft, and interference results when a break in the plant allows the signal to leak.

INDEX

Business	43
Cable	39
Cablecastings	41
Changing Hands	44
Classified Advertising	61
Closed Circuit	6
Datebook	13
Editorials	74
Fates & Fortunes	68
Fifth Estate	71
Focus on Finance	46
For the Record	55
In Brief	72
Masthead	17
Monday Memo	12
Open Mike	16
Programing	27
Radio	31
Ratings Roundup	30
Riding Gain	35
Top of the Week	19
Washington	50
Washington Watch	54

Founded in 1931 as *Broadcasting*, the News Magazine of the Fifth Estate. *Broadcasting-Telecasting** introduced in 1946. *Television** acquired in 1961. *Cablecasting** introduced in 1972. Broadcasting/Cable introduced in 1989. *Reg. U.S. Patent Office.

Copyright 1991 by Broadcasting Publications Inc.

Incorporating

The Fifth Estate

TELEVISION.

Broadcasting ■ Cable

Broadcasting (ISSN 0007-2028) is published 52 Mondays a year by Broadcasting Publications Inc., 1705 DeSales Street, N.W., Washington, D.C. 20036. Second-class postage paid at Washington, D.C., and additional offices. Single issue $2 except special issues $3.50 (50th Anniversary issue $10). Subscriptions, U.S. and possessions: one year $85, two years $160, three years $225. Canadian and other international subscribers add $40 per year. U.S. and possessions $400 yearly for special delivery, $100 for first-class. Subscriber's occupation required. Annually: *Broadcasting* □ *Yearbook* $115, *Across the Dial* $9.95. Microfilm of *Broadcasting* is available from University Microfilms, 300 North Zeeb Road, Ann Arbor, Mich. 48106 (1-800—521-0600). Postmaster, please send address corrections to *Broadcasting*, 1705 DeSales St., N.W., Washington, D.C. 20036.

COMMISSION SETS GREATLY INCREASED FINE SCHEDULE

Result of 1989 law authorizing boost in penalties is jump in maximum charge from $2,000 a day to $20,000; fines can be adjusted, however, on individual basis in mitigating circumstances

Broadcasters and cable operators beware.

The FCC last week served notice the fines it will be levying for violations ranging from "misrepresentation" to "failure to maintain records" will be much higher than ever before.

The base fine for broadcasting an indecent program is now $12,500—more than six times as great as the $2,000 the FCC has been hitting stations with since it stepped up its indecency enforcement four years ago.

The notice came in the form of a fine schedule, listing "base" fines for a host of violations and case-by-case criteria for adjusting them up or down.

The National Association of Broadcasters condemned the new FCC fines. "This move to what looks like a fee schedule is disturbing," said NAB President Eddie Fritts. "It appears the commission has relegated forfeiture as an enforcement mechanism to a secondary role behind generating funds for the federal treasury," he said.

With the release of the schedule, the FCC is implementing a 1989 law that greatly increased the fines the FCC may impose on broadcasters and cable operators to $25,000 per violation or per day of a continuing violation up to $250,000. Prior to 1989, the most the FCC could impose was $2,000 per violation or per day of a continuing violation up to $20,000.

Given the extra clout, the FCC says in a five-page policy statement, the schedule "will assist the commission in insuring that similarly situated violators are treated in a comparable manner and will provide guidance to the public regarding the forfeitures that can be expected in connection with specific violations."

David Solomon, an attorney in the FCC's General Counsel's Office, said the schedule replaces the FCC's practice of assessing fines on a case-by-case basis. However, he said, the criteria for adjusting fines from 20% to 90% preserves an "element" of the case-by-case approach.

Here's the FCC's example of how the adjustment criteria work: The FCC determines a station intentionally violated FCC rules by using unauthorized equipment and, in so doing, causes substantial harm. In calculating the fine, the FCC starts with the base of $10,000 for using unauthorized equipment. Because the violation was intentional, it increases the fine by $7,000 (70% of $10,000), to $17,000, and because it causes substantial harm, it boosts it another $4,000 (40% of $10,000) to $21,000.

However, having also found the station has a history of overall compliance, it reduces the fine by $3,000 (30% of $10,000) to $18,000. "If the broadcaster made a specific showing that an $18,000 forfeiture would cause substantial economic hardship, the forfeiture would be further reduced," the FCC statement says. **-HAJ**

THE FCC'S NEW (AND GREATER) FORFEITURE SCHEDULE

Violation	Fine
Misrepresentation or lack of candor	$20,000
Inadequate tower lighting and marking	$20,000
Construction or operation without authorization	$20,000
Unauthorized substantial transfer of control	$20,000
False distress broadcasts	$20,000
Misuse of distress and safety frequencies	$20,000
Refusal to permit inspection	$18,750
Malicious interference	$17,500
Failure to respond to FCC communications	$17,500
Exceeding authorized antenna height	$15,000
Exceeding power limits	$12,500
Unauthorized emissions	$12,500
Using unauthorized frequency	$12,500
EBS equipment not installed or operational	$12,500
Broadcast of indecent programing	$12,500
Failure to comply with EEO obligations	$12,500
Violations of political broadcasting rules	$12,500
Unauthorized discontinuance of service	$10,000
Use of unauthorized equipment	$10,000
Violations of children's TV rules	$10,000
Violation of main-studio rule	$10,000
Operation at unauthorized location	$10,000
Inadequate frequency coordination	$10,000
Failure to file information	$7,500
Failure to maintain public files	$7,500
Failure to properly identify sponsors	$6,250
Violations of rules governing lotteries	$6,250
Failure to maintain technical logs	$5,000
Failure to maintain time-brokerage files	$5,000
Broadcasting telephone calls without permission	$5,000
Failure to make measurements and monitor	$2,500
Violations of enhanced underwriting requirements	$2,500
Failure to identify station on air	$2,500
Failure to maintain records	$2,500
Unauthorized pro forma transfer of control	$2,500
Miscellaneous violations	$1,250

The amounts in the right-hand columns are the "base" fines for the given violations. They are subject to adjustments up or down by between 20% and 90% based on specific criteria. The "upward" criteria (and adjustment range): 1) egregious misconduct (50%-90%); 2) ability to pay (50%-90%); 3) intentional violation (50%-90%); 4) substantial harm (40%-70%); 5) prior violation of same rule (40%-70%); 6) substantial economic gain (20%-50%), and 7) repeated or continuous violation (varies).

The "downward" criteria: 1) minor violation (50%-90%); 2) good faith or voluntary disclosure (30%-60%); 3) history of overall compliance (20%-50%), and 4) inability to pay (varies).

RATINGS ROUNDUP

		7:00 PM	7:30 PM	8:00 PM	8:30 PM	9:00 PM	9:30 PM	10:00 PM	10:30 PM
MONDAY 7/22	ABC 10.2 / 18			MACGYVER (55) [7.9 / 15] 7.5 / 15	8.2 / 15	ABC MONDAY NIGHT MOVIE—CHINA BEACH (20) [11.4 / 20] 11.0 / 19	11.4 / 19	11.6 / 20	11.6 / 21
	CBS 11.8 / 21			EVENING SHADE (35) 9.6 / 19	MAJOR DAD (9) 12.2 / 23	MURPHY BROWN (4) 13.1 / 23	DESIGNING WMN. (7) 12.6 / 21	NORTH. EXPOSURE (14) [11.6 / 21] 11.9 / 21	11.4 / 21
	NBC 8.6 / 16			FRESH PRINCE (29) 10.5 / 20	NBC MONDAY NIGHT MOVIE—MURDER OF MARY PHAGAN PT2 (50) [8.2 / 15] 6.7 / 12	7.5 / 13	8.4 / 14	9.1 / 16	9.1 / 17
	FOX 4.6 / 8			FOX NIGHT AT THE MOVIES—ALIEN NATION (87) [4.6 / 8] 4.3 / 8	4.9 / 9	4.8 / 8	4.5 / 8		
TUESDAY 7/23	ABC 9.9 / 18			WHO'S THE BOSS (35) 9.6 / 19	DAVIS RULES (34) 9.7 / 18	ROSEANNE (2) 13.5 / 24	COACH (11) 12.0 / 21	THIRTYSOMETHING (58) [7.2 / 13] 7.3 / 13	7.1 / 14
	CBS 8.7 / 16			RESCUE 911 (28) [10.6 / 20] 10.6 / 21	10.6 / 20	CBS TUESDAY NIGHT MOVIE—OUT OF AFRICA PT2 (56) [7.8 / 14] 7.5 / 13	7.3 / 13	8.2 / 15	8.1 / 15
	NBC 10.7 / 20			MATLOCK (38) [9.4 / 18] 9.0 / 18	9.8 / 18	HEAT OF NIGHT (18) [11.5 / 20] 11.1 / 20	12.0 / 21	LAW AND ORDER (21) [11.3 / 21] 11.1 / 20	11.5 / 22
WEDNESDAY 7/24	ABC 7.7 / 15			WONDER YEARS (48) 8.6 / 18	GROWING PAINS (49) 8.5 / 17	DOOGIE M.D. (37) 9.5 / 18	MAN IN FAMILY (53) 8.1 / 15	EQUAL JUSTICE (72) [5.8 / 11] 5.7 / 11	5.8 / 12
	CBS 8.9 / 17			POLICE SQUAD * (50) 8.2 / 17	MORTON HAYES* (69) 6.1 / 12	JAKE AND FAT MAN (42) [9.1 / 17] 8.6 / 16	9.7 / 18	48 HOURS (29) [10.5 / 20] 10.6 / 20	10.4 / 21
	NBC 9.8 / 19			UNSLVD. MYSTERIES (23) [11.1 / 22] 10.2 / 21	12.0 / 23	NIGHT COURT (47) 8.8 / 17	SEINFELD (45) 9.0 / 16	QUANTUM LEAP (39) [9.3/ 18] 9.0 / 17	9.7 / 19
THURSDAY 7/25	ABC 6.5 / 12			P. JENNINGS:HARLEM (76) [5.5 / 11] 5.8 / 12	5.1 / 10	GABRIEL'S FIRE (82) [5.1 / 9] 5.2 / 10	5.0 / 9	PRIMETIME LIVE (45) [9.0 / 17] 8.4 / 16	9.6 / 19
	CBS 8.0 / 15			TOP COPS (50) [8.2 / 16] 7.5 / 15	8.9 / 18	TRIALS OF ROSIE O'NEILL (61) [6.8 / 12] 6.3 / 12	7.2 / 13	S. KING: GOLDEN YRS (42) [9.1 / 17] 9.0 / 17	9.2 / 18
	NBC 10.7 / 21			COSBY (26) 10.7 / 22	A DIFFNT. WORLD (18) 11.5 / 23	CHEERS (6) 12.7 / 24	WINGS (25) 10.9 / 19	L.A. LAW (39) [9.3 / 18] 9.0 / 17	9.7 / 19
	FOX 9.8 / 19			SIMPSONS (42) 9.1 / 19	TRUE COLORS (60) 6.9 / 14	BEVERLY HILLS 90210 (14) [11.6 / 21] 11.1 / 21	12.1 / 21		
FRIDAY 7/26	ABC 12.4 / 26			FULL HOUSE (13) 11.8 / 26	FAMILY MAT. (7) 12.6 / 27	PERFECT STRAN. (24) 11.0 / 23	HI HON. I'M HOME (14) 11.6 / 24	20/20 (1) [13.7 / 29] 14.2 / 29	13.3 / 28
	CBS 5.3 / 11			VERDICT (70) 6.0 / 13	WHO'S SIDE (84) YOU ON 5.0 / 11	CBS FRIDAY MOVIE—SPIES, LIES AND NAKED THIGHS (79) [5.2 / 11] 5.1 / 11	5.0 / 10	5.3 / 11	5.2 / 11
	NBC 5.9 / 12			NBC MOVIE OF THE WEEK—OPPOSITES ATTRACT (67) [6.3 / 13] 5.7 / 12	5.8 / 12	6.8 / 14	7.0 / 14	MIDNIGHT CALLER (79) [5.2 / 11] 5.3 / 11	5.2/ 11
	FOX 4.3 / 9			AMERICA'S MOST WANTED (71) [5.9 / 13] 5.7 / 12	6.2 / 13	ALIEN NATION (91) [2.6 / 5] 2.6 / 5	2.6 / 5		
SATURDAY 7/27	ABC 6.0 / 13			YOUNG RIDERS (79) [5.2 / 12] 4.9 / 12	5.5 / 13	ABC SATURDAY NIGHT MOVIE—PROUD MEN (65) [6.4 / 13] 5.4 / 12	5.7 / 12	6.8 / 14	7.6 / 16
	CBS 5.5 / 12			CBS SATURDAY MOVIE—THE BIG EASY (77) [5.4 / 12] 4.9 / 12	4.8 / 11	5.7 / 12	6.2 / 13	BAGDAD CAFE (77) 5.4 / 11	BAGDAD CAFE (68) 6.2 / 13
	NBC 9.3 / 21			AMEN (59) [7.1 / 17] 6.2 / 15	7.9 / 18	GOLDEN GIRLS (10) 12.1 / 26	EMPTY NEST (3) 13.3 / 27	DEAR JOHN (33) 9.9 / 21	LATER BOB (63) COSTAS 6.5 / 14
	FOX 5.1 / 12			COPS (75) 5.6 / 14	COPS 2 (65) 6.4 / 15	TLY. HID. VIDEO (82) 5.1 / 11	BABES (89) 3.4 / 7		
SUNDAY 6/28	ABC 9.6 / 19	LIFE GOES ON (63) [6.5 / 15] 5.8 / 13	7.2 / 16	AMR. FUN VIDEO (22) 11.2 / 22	AMR. FUN PLP. (11) 12.0 / 23	ABC SUNDAY NIGHT MOVIE—ELVIS AND ME PT1 (32) [10.2 / 19] 9.1 / 17	10.0 / 18	10.8 / 19	11.0 / 20
	CBS 11.3 / 22	60 MINUTES (5) [13.0 / 29] 11.9 / 27	14.1 / 31	MURDER SHE WROTE (14) [11.6 / 23] 11.1 / 22	12.0 / 23	CBS SUNDAY NIGHT MOVIE—ANGEL OF DEATH (31) [10.3 / 19] 10.1 / 18	10.2 / 18	10.4 / 19	10.4 / 19
	NBC 5.9 / 12	JULIE (90) BRWN 2.8 / 6	LOOK- (92) WELL 2.3 / 5	EXPOSE (88) 4.4 / 9	REAL LIFE (72) 5.8 / 11	NBC SUNDAY NIGHT MOVIE—CAST THE FIRST STONE (34) [8.0 / 15] 7.1 / 13	7.6 / 13	8.4 / 15	8.9 / 17
	FOX 7.0 / 14	TLY. HID. (85) VIDEO 4.9/ 11	P. LEWIS (85) 4.9 / 11	IN LIVING COLOR (57) 7.6 / 15	GET A LIFE (74) 5.7 / 11	MRD. WITH CHILD. (26) 10.7 / 20	AMW LADY KILLER (39) 9.3 / 17	SUNDAY COMICS (62) 6.9 / 13	[6.6 / 12] 6.3 / 12

WEEKLY PRIME TIME AVERAGE	ABC 8.9 / 17	CBS 8.6 / 17	NBC 8.6 / 17	FOX 6.3 / 12
SEASON PRIME TIME AVERAGE	ABC 11.5 / 20	CBS 11.5 / 20	NBC 11.8 / 20	FOX 6.2 / 11

YELLOW = 1/2 HR WINNER

*—PREMIERE

NIGHTLY RATING / SHARE (##)—RANKING [##]—PROGRAM RATING / SHARE -HALF-HOUR RATING / SHARE SOURCE: A.C. NIELSEN

CHANGING HANDS

This week's tabulation of station and system sales ($250,000 and above

WTVF(TV) Nashville □ Sold by H&C Communications Inc. to Landmark Television Inc. for $46 million cash, including $5 million, five-year noncompete covenant. **Seller** is headed by James Crowther and is licensee of KVOA-TV Tucson, Ariz.; WESH(TV) Daytona Beach, Fla.; KCCI-TV Des Moines, Iowa; KPRC-AM-TV Houston, and KSAT-TV San Antonio. **Buyer** is headed by Frank Batten and John O. Wynne and also owns WTAR(AM)-WLTY(FM) Norfolk, Va., and KLAS-TV Las Vegas. Landmark also owns The Weather Channel and publishes daily newspapers. WTVF is CBS affiliate on ch. 5 with 100 kw visual, 10 kw aural and antenna 1,394 feet above average terrain.

KRMX-FM San Diego □ Sold by Sandusky Radio of Southern California Inc. to San Diego Broadcasting Co. for $10.1 million. Terms: $5 million cash at closing, $500,000 earnest money deposit and $4.6 million note. Station was purchased in 1985 for approximately $9.67 million. **Seller** is headed by Norman Rau and also owns KEGL(FM) Dallas-Fort Worth; KDKB(FM) Mesa (Phoenix), Ariz., and KLSY-FM Bellevue (Seattle-Tacoma), Wash., and is subsidiary of Sandusky Newspapers Inc., publisher of four midwestern newspapers. **Buyer** is headed by Tim Sullivan and is subsidiary of Anaheim Broadcasting Corp., which owns KHQT(FM) Los Altos and KCAL-FM Redlands, both California. KRMX-FM has adult contemporary format on 94.9 mhz with 21.8 kw and antenna 710 feet above average terrain. *Broker: Ray Stanfield & Associates.*

KVVA-AM-FM Phoenix-Apache Junction, Ariz. □ Sold by Betacom Inc. to American Broadcasting Systems Inc. for $6.9 million; seller will receive payment in form of buyer's stock. **Seller** is headed by F. Patrick Nugent, Deward J. Knight, Scott Burton and Robert Feinman and has no other broadcast interests. **Buyer** is headed by Ronald L. Shaffer and owns Steamboat Springs Broadcasting Inc., licensee of KBCR(AM)-KSBT(FM) Steamboat Springs, Colo. KVVA is fulltimer with Spanish format on 860 khz with 1 kw. KVVA-FM has Spanish format on 107.1 mhz with 2.5 kw and antenna 405 feet above average terrain.

KUPI-AM-FM Ammon-Idaho Falls, Idaho □ Sold by KUPI Broadcasting Inc. to Ray E. Groth Oil Co. Inc. for $1.3 million cash. **Seller** is headed by George C. Hatch, and has interests in KALL(AM)-KLCY-FM and KUTV(TV), both Salt Lake City; KVEL(AM)-KUIN(FM) Vernal, Utah, and CP for KUSG(TV) St. George, Utah. **Buyer** is headed by Ray E. Groth and sons Michael, Terry, Ray and Richard, and has no other broadcast interests. KUPI has oldies format on 980 khz with 5 kw day and 1 kw night. KUPI-FM has country format on 99.1 mhz with 100 kw and antenna 1,513 feet above average terrain.

WGGA-AM-FM Gainesville-Cleveland, Ga. □ Sold by Gainesville Bank & Trust Co. to Allied Media of Georgia Inc. for $1.15 million in interest-bearing note. Station was recently purchased out of receivership ("For the Record," May 27). **Seller** is headed by Richard A. Hunt Jr. Bennie Hewett, stockholder and director of Gainesville Bank and Trust, owns WHOD-AM-FM Jackson, Ala., and WHFE(AM) Lakeland and WLBA(AM) Gainesville, both Georgia, and 75% of WNGA(AM) Nashville, Ga. **Buyer** is headed by Jeffrey J. Brown, and is subsidiary of Allied Media Inc., which owns WIGO(AM) Atlanta and WEBB-(AM) Baltimore. WGGA is fulltimer with adult contemporary format on 1240 khz with 1 kw. WGGA-FM has top-40 format on 101.9 mhz with 6 kw and antenna 410 feet above average terrain.

KLDZ(FM) Lincoln, Neb. □ Sold by Kempff Communications Co. to Radio Lincoln Inc. for $1.1 million. **Seller** is headed by Ron Kempff and also owns WKKI(FM) Celina, Ohio. **Buyer** is headed by Sue Ellen Bereman and sold WPAD(AM)-WDDJ(FM) Paducah, Ky., last year ("Changing Hands," Dec. 24, 1990). KLDZ has oldies format on 95.1 mhz with 50 kw and antenna 287 feet above average terrain. *Broker: Media Services Group Inc.*

PROPOSED STATION TRADES

By volume and number of sales

Last Week:

AM's □ **$974,385** □ **10**
FM's □ **$11,220,000** □ **3**
AM-FM's □ **$10,142,000** □ **6**
TV's □ **$46,000,000** □ **1**
Total □ **$68,336,385** □ **20**

Year to Date:

AM's □ **$55,013,920** □ **162**
FM's □ **$129,717,755** □ **155**
AM-FM's □ **$154,672,587** □ **115**
TV's □ **$724,549,000** □ **51**
Total □ **$1,063,953,262** □ **483**

For 1990 total see Jan. 7, 1991 BROADCASTING.

SOLD!

A minority stock interest in WSUV-FM, Ft. Myers Villas, Florida from Sunshine Broadcasting, Inc., Jerry Bellairs, Principal to Miracle Broadcasting, Inc., Ronald Gold, Principal.

Randall E. Jeffery
Broker

Providing the Broadcast Industry with Brokerage Services Based Strictly on Integrity, Discretion and Results

BRIAN E. COBB
CHARLES E. GIDDENS
703-827-2727
RANDALL E. JEFFERY
407-295-2572
ELLIOT B. EVERS
415-391-4877

RADIO and TELEVISION BROKERAGE
FINANCING • APPRAISALS.

MEDIA VENTURE PARTNERS

WASHINGTON, DC
ORLANDO
SAN FRANCISCO

Subject to F.C.C. approval.

WASHINGTON

FCC USER FEE FUNDING REVIVED IN HOUSE

Energy and Commerce plan would raise $65 million from licensees

The House Energy and Commerce Committee breathed new life into the Bush administration's proposal to fund the FCC through user fees assessed on the commission's licensees. The House FCC authorization bill authorizes $133.5 million in FCC funding for 1992 with $65 million of that total to be collected through user fees. (TV and radio broadcasters' fee payments would total about $4 million. Cable operators' share would be about $9.35 million.)

In mid-July, the administration fee proposal seemed doomed, at least for fiscal year 1992, with its rejection by the Senate Appropriations Committee and with time running out in the House (BROADCASTING, July 22). But pro- and anti-fee congressmen in the Energy and Commerce Committee agreed last Tuesday (July 30) to a revised version of the fee schedule.

"I think all of us were surprised that the bill moved as quickly as it did," said NAB President Eddie Fritts. "The period of time from when it was first presented to when it was passed was probably a record for the House."

Assuming passage of the FCC authorization bill by the full House, the user fee issue will be taken up in joint conference this fall. Communications lobbyists are now focusing on the Senate to solidify opposition to the fees. They are paying special attention to the Finance Committee, which oversees tax bills. Fee opponents hope to rekindle a jurisdictional debate over the legal definitions of "fee" and "tax," an argument that appears to have been settled in the House.

The fee issue has not been closely considered by most senators, Hill staffers say. Senator Ernest Hollings (D-S.C.), chairman of the Commerce, Science and Transportation Committee and of the subcommittee overseeing FCC appropriations, has stated his opposition to the fees, but other senators have not given opinions.

The fee schedule approved last week softened the burden broadcasters and cable operators would have been subject to under a fee schedule approved five days earlier by the House Telecommunications Subcommittee (BROADCASTING, July 29). Objections by several subcommittee members, led by ranking minority member Matthew Rinaldo (R-N.J.) led to a revised schedule with reduced fees for most AM and FM stations and a per-francise payment formula for cable operators rather than a per-subscriber formula (see chart, this page).

Broadcast and cable lobbyists last week maintained their opposition to the user-fee plan. "We deeply appreciate Representative Rinaldo's efforts to make this a less burdensome bill, especially for small radio broadcasters," Fritts said. "Our fundamental concerns about the bill remain unchanged, however. It's a tax unrelated to services provided and it's a double hit, since broadcasters already pay their share of a substantial cost of the regulation fee."

The National Cable Television Association and Community Antenna Television Association (CATA) argued a similar case. "The movement to per-subscriber is a step in the right direction. It is preferable for small systems and big companies with lots of small systems," said Jim Ewalt, executive vice president, CATA. "But we're still opposed to the concept of shouldering so much of the burden when we get so little in return. The cable industry is paying $800 million a year in license fees—we are already paying to support government regulation."

Energy and Commerce Committee Chairman John Dingell (D-Mich.) has been a main force behind the fee plan. Soon after the administration proposed the user fees, Dingell directed the Commerce Committee staff to begin working with the Ways and Means Committee

PROPOSED ANNUAL MASS MEDIA BUREAU USER FEES

Category	*No. of users*	*Subcom fee schedule**	*Revised fee schedule†*	*Revised revenue est*
AM (Class-II daytime)	835	$150	$100	$83,500
AM (Class-III daytime)	491	$100	$100	$49,100
AM (Class-I fulltime)	77	$500	$500	$38,500
AM (Class-II fulltime)	773	$300	$100	$77,300
AM (Class-III fulltime)	1,742	$200	$100	$174,200
AM (Class-IV fulltime)	1,017	$100	$100	$101,700
TOTAL AM				$524,300
FM (C, C1, C2 and B)	2,206	$500	$500	$1,103,000
FM (A, B1, C3 and D)	2,262	$300	$100	$226,200
TOTAL FM				$1,329,200
TV (UHF)	554	$2,000	$2,000	$1,108,000
TV (VHF)	554	$2,000	$2,000	$1,108,000
TOTAL TV				$2,216,000
CARS	2,165	$150	$150	$324,750
CATV (per 1,000 subs)	51,600,000	—	$175	$9,030,000
TOTAL CABLE				$9,354,750
LPTV, trnsltrs, bstrs	7,721	$100	$100	$772,100
Auxiliaries	50,000	$100	$100	$5,000,000
International shortwave	19	$100	$100	$1,900
TOTAL MASS MEDIA BUREAU				$19,198,250

User total estimates provided by FCC.
*Fees proposed by House Telecommunications Subcommittee.
†Fees passed by House Energy and Commerce Committee.

(the House committee with jurisdiction over tax bills) to fashion a fee schedule that could not be considered a tax. With Dingell's support and without opposition from Ways and Means, the FCC authorization bill is expected to pass the House unchanged.

The fee schedule passed by the Telecommunications Subcommittee was almost identical to the plan unveiled by the administration last winter (BROADCASTING, March 4). Rinaldo and others opposed it because the payment-for-service connection was not well defined. House rules define a fee as a payment "by a class benefiting from the service, program or activity, or being regulated by the agency.... There must be a reasonable connection between the payers and the agency or function receiving the fee." Rinaldo also said he objected to a bill provision to deposit excess fee payments in the general fund of the U.S. Treasury.

The new fee plan "has been adjusted to bring the estimated fee revenue in line with the budget allocation for each of the FCC bureaus. This adjustment gives me greater confidence that there is a true nexus between the service that is being provided by the FCC and the amount that is being imposed," Rinaldo said last week. The new bill also applies excess fees to expenditures for the following year rather than depositing them in the general fund.

Most Energy and Commerce Committee members agreed on the importance of full funding for the FCC. "As we enter an unprecedented period in the evolution of America's telecommunications industries, the role of the FCC is critical to promoting a competitive marketplace, providing timely development of efficient, innovative communications facilities and services," said Telecommunications Subcommittee Chairman Edward Markey (D-Mass.). **-RMS**

CATA SEEKS CHANGE IN EFFECTIVE COMPETITION

Association wants to revise cutoff so smaller systems will be exempt

The Community Antenna Television Association plans to ask the FCC to revamp its new "effective competition" rules to exempt small rural cable systems from municipal rate regulation, CATA Executive Vice President Jim Ewalt said last week.

"The more the government regulates small systems, the more it defeats the entrepreneurship that built the industry," Ewalt said. "Some of these guys are having a difficult enough time as it is."

Elise Adde, vice president, industry communications, National Cable Television Association, said the leading cable trade association has "no plans at this time" to petition the commission for changes in the rules.

However, individual cable operators and investors may join CATA in attacking the rules or parts of them.

Groups representing the nation's municipalities, which decried the rules when they were adopted last as inadequate to stem the tide of raising cable rates in most of the country, are still deciding whether to petition the FCC to make the "effective competition" standard harder to meet, thereby putting more cable system within the reach of municipal regulators.

The FCC rules exempt from municipal rate regulation cable systems in markets with what the agency has deemed "effective competition": six or more broadcast signals or another "multichannel video provider" passing 50% of the homes and serving 10% of the homes passed.

The rules expose to local regulation many small rural systems, Ewalt said. And in many cases such systems lack the administrative resources to go through involved proceedings before city councils each time they want a rate hike, he said.

CATA had asked for the small system exemption prior to adoption of the rules, but the commissioners rejected the idea on the grounds the FCC may not have the necessary legal authority to exempt a class of systems. "We will have to provide them with some legal support," said Ewalt.

Any attempt to water down the "effective competition" rules is unlikely to do the cable industry any good among cable's critics on Capitol Hill, who already view the rules as too lenient.

"I don't know how [Congress is] going to respond," said Ewalt when asked about congressional implications. "But this is a legitimate problem."

Should the FCC decline to act on its petition for reconsideration, Ewalt said, CATA is unlikely to pursue the matter in court. "We don't have a court appeal in mind right now," he said.

CATA may not be alone in asking the FCC to review the rules. Richard Leghorn, a cable investor and former owner and operator of a cable system, is considering challenging the rules in their entirety on First Amendment grounds, according to his Washington communications attorney George Shapiro.

In its implementing order, the FCC dismissed the First Amendment argument raised by CATA. "[T]he Supreme Court has consistently held that regulation specifically crafted to attain a substantial government interest, and content neutral both on its face and in application does not violate the First Amendment," the order says.

Like CATA, individual cable operators are considering asking the FCC for specific changes. "There is some interest in fine-tuning the rules," said John Davis, a Washington attorney represent-

EXCEPTION TO NEW RULE

John Blair Communications Chairman James Rosenfield wrote a letter to the FCC July 22 requesting a waiver of the prime time access rule for the weekly syndication magazine it distributes (through Blair Entertainment), *Studio 22*, which is produced by the CBS-owned station group. The waiver request followed a similar appeal filed by LBS in connection with an NBC News-produced syndication show, *Memories...Then and Now* (BROADCASTING, July 22).

Rosenfield's letter was in response to a new FCC interpretation of PTAR that defines network shows as including those produced by a network and not just exhibited by it. Rosenfield said the commission released the new definition well after Blair began selling the show to stations for access clearance, the most valuable syndication daypart. The absence of a waiver would have a "devastating effect on Blair's investment in this show," said Rosenfield. "Blair does not believe that the FCC intended its new policy to have such a serious impact on existing programs," he added.

Glenn H. Wright (20%), son and father, and Carol A. Wright, wife of G. Harold Wright. G. Harold Wright is president and GM and holds 33.3% interest in Anadarko Broadcasting Company Inc., licensee of KRPT-AM-FM Anadarko, OK. Action July 17.

■ **KUTF(TV) Salem, OR** (BALCT910523KI; ch. 32; 3,577 kw-V; 358 kw-A; ant. 1,786 ft.)—Granted assignment of license from Willamette Valley Broadcasting Co. Ltd. to Communications Programing Agency Inc. for $800,000 ("Changing Hands," June 10). **Seller** is headed by Steve W. McGee, Jerry E. O'Neill, Bedros Dahglian, Charles W. Jordan, Gordan Thiessen and Dove Broadcasting Corp., and has no other broadcast interests. **Buyer** is headed by Glen A. and Beverly Chambers (each 40%), husband and wife, and Ronna Scott (20%), and has no other broadcast interests. Action July 17.

■ **WWCS(AM) Canonsburg (Pittsburgh), PA** (BAL910506EC; 540 khz; 7.5 kw-D, 500 w-N)—Granted assignment of license from Waro Broadcasting Inc. to WKYN Inc. for $750,000 ("Changing Hands," May 13). **Seller** is subsidiary of Universal Broadcasting Co., headed by Marvin B. Kosofsky and Howard Warshaw. Kosofsky has 13% interest in Jacor Communications, which operates five AM's and six FM's. Warshaw is partner with wife Miriam and son Jeffrey in Alchemy Communications, which owns WKIX(AM)-WYLT(FM) Raleigh, NC. Universal Broadcasting is also licensee of WSYW-AM-FM Indianapolis; WTHE(AM) Mineola, NY; WNDZ(AM) Portage, IN and WVVX(FM) Highland Park (Chicago), IL; WCBW(FM) Columbia, IL (St. Louis), and KPPC(AM) Pasadena, Calif. **Buyer** is headed by Robert M. Stevens, and also owns WKYN(FM) St. Marys, PA. Action July 22.

■ **WJOT(AM) Lake City, SC** (BAPL910610EB; 1260 khz; 1 kw-D, 65 w-N)—Granted assignment of CP from Wiggins Broadcasting to Holly City Communications Inc. for $75,000. **Seller** is headed by John H. Wiggins, and is licensee of WULF(AM)-WKXH(FM) Alma, GA; WWFN(FM) Florence, SC; WKZF(FM) New Bern, NC, and has application pending for CP at Centerville, TN. **Buyer** is headed by June F. Mitchell (51%) and John B. Mitchell (49%), and has no other broadcast interests. Action July 22.

■ **WRKQ(AM) Madisonville, TN** (BAL900328EB; 1250 khz; 500 w-D, 86 w-N)—Dismissed app. of assignment of license from East Tennessee Broadcasters to Victory Broadcasting Corp. for $15,000. **Seller** is headed by Sidney R. and Mary S. Kean, husband and wife, and has no other broadcast interests. **Buyer** is headed by John W. Abbott and Gay W. Howell, and has no other broadcast interests. Action July 23.

■ **WTYR(AM) Soddy-Daisy, TN** (BAL910603EB; 1550 khz; 1 kw-D)—Granted assignment of license from C. Alfred Dick to Greater 2nd Missionary Baptist Church for $150,000. **Seller** is head of licensee WCHU Radio, and has no other broadcast interests. **Buyer** is headed by Anthony E. Ray, and has no other broadcast interests. Action July 19.

■ **KMVL(AM) Madisonville, TX** (BAL910531EA; 1220 khz; 500 w-D, 12 w-N)—Granted assignment of license from William F. Carter to Leon Hunt for $80,000. **Seller** has no other broadcast interests. **Buyer** has no other broadcast interests. Action July 17.

■ **KDOK(AM) Tyler, TX** (BAL910605EC; 1330 khz; 1 kw-D)—Granted assignment of license from Radio Center Inc., debtor-in-possession, to Gleiser Communications Inc. for $65,000. **Seller** has no other broadcast interests. **Buyer** is headed by Paul L. Gleiser, who is sale consultant and manager of KTEN(TV) Ada, OK. Action July 19.

■ **WKZZ(FM) Lynchburg, VA** (BALH910531GL; 100.1 mhz; 730 w; ant. 646 ft.)—Granted assignment of license from Lynchburg Independent Broadcasters Inc. to CEBE Investments Inc. for $450,000. **Seller** is subsidiary of Bahakel Communications Ltd., owned by Cy N. Bahakel, and licensee of co-owned WWOD(AM) Lynchburg, VA, and also WCCB(TV) Charleston, WOLO-TV Columbia and WXLY(FM) North Charleston, all South Carolina; KXEL(AM)-KOKZ(FM) Waterloo, IA; WBAK-TV Terre Haute, IN; KILO(FM) Colorado Springs, CO; WABG-AM-TV Greenwood, MS; WLBJ(AM)-WCBZ(FM) Bowling Green, KY; WDOD-AM-FM Chatanooga, WKIN(AM)-WZXY(FM) Kingsport and WBBJ-TV Jackson, all Tennessee; WRSP-TV Springfield and WCCU(TV) Urbana, both Illinois; WAKA(TV) Selma, AL, and WPET(AM)-WKSI(FM) Greensboro, NC. **Buyer** is headed by Aylett B. Coleman (100%) and is licensee of WXLK(FM) Roanoke, VA. Coleman is also 100% stockholder of WJQI Inc., licensee of WJQI-AM-FM Chesapeake-Virginia Beach, VA. Action July 17.

■ **WHTL(FM) Whitehall, WI** (BTCH910206HF; 102.3 mhz; 3 kw; ant. 450 ft.)—Dismissed app. of transfer of control from Amercom Corp. to Country Sound Inc. for $175,000 in asset purchase agreement. **Seller** is headed by Richard L. Hencley, Willis K. Drake, Ronald D. Olson and Tom Cossack, and has no other broadcast interests. **Buyer** is headed by Robert J. Kraemer (50%) and Dianne L. Kraemer (50%), husband and wife, and has no other broadcast interests. Action July 18.

NEW STATIONS

Applications

■ **Prescott Valley, AZ** (BPH910628MA)—Mic Rathje seeks 98.3 mhz; .875 kw; ant. 770 m. Address: 6745 N. Chapultepec Circle, Tucson, AZ 85715. Principal has no other broadcast interests. Filed June 28.

■ **Prescott Valley, AZ** (BPH910701MD)—Oasis International Communications seeks 98.3 mhz; 50 kw; ant. -43 m. Address: 5331 Mount Alifan Dr., San Diego, CA 9.111. Principal is headed by Michael MacIntosh, and is non-stock, non-profit corporation, and is parent of Oasis International Communications, licensee of KWDS(AM) Prescott Valley, AZ. Filed July 1.

■ **Beaumont, CA** (BPH910703MJ)—Lauryn Broadcasting Corp. seeks 100.9 mhz; 1.05 kw; ant. 165 m. Address: 137 S. San Fernando Blvd. #433, Burbank, CA 91502. Principal is headed by Lauryn N. Cox, and has no other broadcast interests. Filed July 3.

■ **Beaumont, CA** (BPH910702MC)—Chasid Company seeks 100.9 mhz; .825 kw; ant. 174 m. Address: 711 Xenia St. Apt. 27, Beaumont, CA 92223. Principal is headed by Charles Hobbie and Sidney R. Garris, and has no other broadcast interests. Filed July 2.

■ **Beaumont, CA** (BPH910703IC)—Robert M. Richmond seeks 100.9 mhz; .7 kw; ant. 168 m. Address: 3941 Nassau Circle W., Englewood, CO 80110. Richmond is sole owner of Eureka Investment Corp., 49% owner of Eureka Christian Broadcasting Inc., permittee of KECU(FM) Eureka, CA. Richmond will divest his

SUMMARY OF BROADCASTING & CABLE

BROADCASTING

SERVICE	ON AIR	CP's [1]	TOTAL *
Commercial AM	4,988	239	5,227
Commercial FM	4,470	984	5,454
Educational FM	1,466	294	1,760
Total Radio	10,924	1,517	12,441
Commercial VHF TV	555	18	573
Commercial UHF TV	569	171	740
Educational VHF TV	124	3	127
Educational UHF TV	231	12	243
■ Total TV	1,479	204	1,683
VHF LPTV	206	163	369
UHF LPTV	689	863	1,552
■ Total LPTV	895	1,026	1,921
FM translators	1,861	350	2,211
VHF translators	2,706	83	2,789
UHF translators	2,318	326	2,644

CABLE

Total subscribers	53,900,000
Homes passed	71,300,000
Total systems	10,823
Household penetration†	58.6%
Pay cable penetration	29.2%

* Includes off-air licenses. † Penetration percentages are of TV household universe of 92.1 million. [1] Construction permit. [2] Instructional TV fixed service. [3] Studio-transmitter link. Source: Nielsen and Broadcasting's own research.